

BY MAIL and FAX

September 29, 2006

Tim Whitright, Neighborhood Development Manager  
Neighborhood Development Division  
Neighborhood Services Department  
City of Las Vegas  
400 E. Stewart Avenue, 8<sup>th</sup> floor  
Las Vegas, NV 89101

RE: HELP Owens – Additional Development Funding Request

Dear Mr. Whitright:

I am writing to update you on the progress made toward the redevelopment of the former MASH site into a campus for affordable housing. As you know, the construction on HELP Owens I is well underway. The development financing for HELP Owens I included \$400,000 from the HUD SHP program, which HELP secured through the County's local, competitive funding process. Unfortunately, as we have discussed, HUD has misinterpreted the financial structure of the project and currently holds that the SHP funds were used to replace local funding and HUD is, as of now, withholding the \$400,000 in capital funding.

While HELP is considering pursuing HUD's decision, the project remains under construction, which presents an issue with cash flow during development. We would, therefore, request that an additional \$400,000 of HOME funds to be committed for the completion of this first phase to be used to cover construction costs.

We are excited to continue working with the City on the revitalization of this site. Thank you again for your continued assistance and support of this project. Please contact me directly or Karen L. Krautheim, HELP's Development Consultant if you should require any further information to include this request on the next Council Meeting agenda.

Sincerely,



Craig Galati, President  
HELP Las Vegas Housing Corp. II

cc: Larry Belinsky, HELP USA  
Karen L. Krautheim, KLK Development Consultants, Inc.  
Orlando Sanchez, Deputy City Manager  
Earlie M. King, LV - NSD